

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BUTLER COUNTY WATER SYSTEM,)	
INC., BUTLER COUNTY, KENTUCKY, (1) FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY)	
AUTHORIZING SAID SYSTEM TO CONSTRUCT MAJOR)	
IMPROVEMENTS AND ADDITIONS TO ITS EXISTING)	CASE NO.
MUNICIPAL WATER DISTRIBUTION SYSTEM FINANCED)	93-408
BY FARMERS HOME ADMINISTRATION PURSUANT TO THE)	
PROVISIONS OF KRS 278.023 OF THE KENTUCKY)	
REVISED STATUTES, AND (2) SEEKING APPROVAL OF)	
THE ISSUANCE OF CERTAIN SECURITIES, AND (3))	
APPROVAL OF WATER RATES)	

O R D E R

On November 2, 1993, Butler County Water System, Inc. ("Butler Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$2,077,200 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 352 additional customers. Project funding includes a \$1,998,000 loan from the Farmers Home Administration ("FmHA") and \$79,200 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

Butler Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water associations and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that

minimum filing requirements were met in this case on November 2, 1993, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Butler Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Butler Water's proposed plan of financing with FmHA is accepted.

3. Butler Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

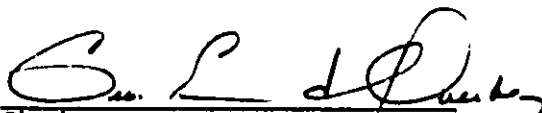
5. Butler Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.


6. Butler Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Butler Water shall take immediate action to bring the system into compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 24th day of November, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-408 DATED November 24, 1993

The following rates and charges are prescribed for the customers in the area served by Butler County Water System, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

First 2,000 gallons	\$12.71 Minimum Bill
Next 4,000 gallons	4.10 per 1,000 gallons
Next 44,000 gallons	3.57 per 1,000 gallons
Next 50,000 gallons	3.04 per 1,000 gallons
All over 100,000 gallons	1.81 per 1,000 gallons

\$12.71 Minimum applicable only to 5/8 x 3/4 inch meter.

The following minimums will apply to other meters sizes

<u>Meter Size</u>		<u>Gallons</u>	<u>Minimum Bill</u>
1 inch	First	5,000 gallons	\$ 27.07 minimum
1 1/2 inch	First	10,000 gallons	48.53 minimum
2 inch	First	16,000 gallons	73.52 minimum
3 inch	First	30,000 gallons	127.84 minimum
4 inch	First	50,000 gallons	208.71 minimum
6 inch	First	100,000 gallons	383.97 minimum

The rates to be charged after the minimum rate is the same regardless of meter size.